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SENSITIVE
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SUBJECT: FICO'S RUSSIA TRIP: VAGUE PROMISES AND A NICELY PAINTED CAR

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SUMMARY

¶1. (SBU) PM Robert Fico's jaunt to Moscow on November 16 was criticized for its timing (the day before Slovakia officially celebrated the 20th anniversary of the fall of Communism) as well as the deliverables. The latter include more talk of a joint venture with Gazprom and a wide-gauge rail extension to the Austrian border, and a new agreement for Russia to provide nuclear power technology to Slovakia. With few substantive deliverables, the trip seemed mainly a plea for continuous gas this winter and an affirmation of good feelings between Fico and whoever is on the throne in Moscow. End summary.

IT'S ... A FREE CAR!

¶2. (U) As Fico set out for Moscow, a young KDH (Christian Democrat) political activist staged a colorful piece of political street theater to protest the premier's departure for Moscow the day before the twentieth anniversary of the fall of Communism. He left a bright red Ziguli car on the street in front of Fico's government office, painted neatly with the slogans, "I'm Red Robbie's car, heading for Moscow," "Decent people celebrate, Bolsheviks flee," and "November '89: 'I didn't notice it!'" The protest received wide press coverage which continued through the end of the week.

GASSING ON ABOUT GAS

¶3. (SBU) As to the substance of Fico's visit, Fico and Putin were said to have discussed a joint venture on gas between the GoS and Gazprom, which would compete with the Slovak monopoly SPP to distribute gas and build gas storage in Slovakia. The two have talked about this possibility in vague terms at previous meetings, and the statement issued at the end of this meeting seemed to indicate that the idea has not progressed much since then. Putin identified the project as simply an opportunity to be discussed; a later meeting with Gazprom's Alexey Miller had the two agreeing to start expert consultations. According to FM Lajcak, Fico and Putin also discussed scenarios for the coming months and PM Putin suggested that a reprise of last year's gas cutoff was a distinct possibility.

¶4. (SBU) The reason for Fico's interest in inviting Gazprom onto his home turf is clear: he needs financing for more gas storage, particularly in eastern Slovakia, and he is itching for a competitor to SPP. While this latter point sounds illogical, given that the GoS owns 51% of SPP, Fico hates the fact that he

does not fully control the company and its transit revenue, and he misses no opportunity to threaten his French and German partners with nationalization. As for the Russians, it is doubtful the thankless business of distributing gas to the tiny Slovak market would have much appeal, but nosing into the 70 bcma transit business--about 2/3 of Russian gas to Europe--is altogether another matter.

GLOWING ABOUT NUCLEAR COOPERATION

15. (SBU) Of slightly more substance was the nuclear power cooperation agreement signed with AtomStroyExport. The exact terms are not clear, and if this agreement has anything in common with similar ones penned previously, it is a general statement of good intentions between comrades in peaceful cooperation. The agreement follows a meeting of the Russian-Slovak working group on nuclear power, created last year as part of a broader bilateral commission on economic and scientific cooperation. The working group's statement mentions Russian interest in completion of the new reactors at the Mochovce power plant, renovation of the currently operating reactors at Mochovce and Jaslovske Bohunice, and installation of new reactors in Slovakia. Most interestingly, only the Russian side trumpeted the agreement. The GoS has kept quiet about the nuclear agreement, though it is hard to tell whether this is because it is cool to the idea of morQRussian reactors or wary of public scrutiny for a coming sweetheart deal.

16. (SBU) The Russians made mention of the desire to step up cooperation on the Bratislava cyclotron, a research-for-debt project that has become a warehouse for aging Slovak physicists and a backwater of research. The GoS promised more funding, which, since it is all aimed at buying Russian hardware, seems to have made the Russians happy.

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PLAYING WITH TRAINS

17. (SBU) The Moscow visit also give Fico a chance to push another of his hobby-horse projects: the extension of a wide-gauge railway from Kosice to the Austrian border. The economic logic of this extension is not obvious, but he was happy to bring the project up again in his joint statement. The joint statement curiously expresses satisfaction with Slovak and Russian engineers' progress in extending the railway, conjuring images of engineers toiling over drafting tables and visiting busy work sites. Putin's statement, on the other hand, merely speaks of a possibility to be explored in upcoming discussions. Who will pay for this multi-billion euro project, or even whether either side takes it at all seriously, remains to be seen.

COMMENT: WHAT'S REAL IN THIS PICTURE?

18. (SBU) With so little accomplished, what really was the point of the Fico visit? It seems to have been a good opportunity for Fico to plead for his reliable energy partner not to cut off the gas again, and for the reliable partner to show off a happy if somewhat nervous customer. Certainly the list of joint projects is to be taken with more than a grain of salt, but the expression of warm feelings toward Moscow, and the intent to cooperate on state-funded projects for which each side hopes the other has some money, seems sincere enough. The two real bits of all this talk (besides the obvious bit about gas) seem to be about the Slovaks' desire to get some free infrastructure from its old sponsor, and the sponsor's desire to get deeper into the energy business in Slovakia.

EDDINS